

HOUSE BILL No. 6286

November 14, 1990, Introduced by Rep. Stupak and referred to the Committee on Senior Citizens and Retirement.

A bill to amend section 19 of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act," as amended by Act No. 297 of the Public Acts of 1989, being section 38.19 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 19 of Act No. 240 of the Public Acts of
2 1943, as amended by Act No. 297 of the Public Acts of 1989, being
3 section 38.19 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 19. (1) A member who is 60 years of age or older and
6 has 10 or more years of credited service, OR HAS 5 OR MORE YEARS
7 OF CREDITED SERVICE AS PROVIDED IN SECTION 20(4) OR (5), may
8 retire upon written application to the retirement board, stating
9 a date, not less than 30 or more than 90 days after the execution

1 and filing of the application, on which he or she desires to
2 retire. Beginning on the retirement allowance effective date, he
3 or she shall receive a retirement allowance computed according to
4 section 20(1).

5 (2) A member who is 55 years of age or older, but less than
6 60 years of age, and has 15 or more years of credited service,
7 may retire upon written application to the retirement board stat-
8 ing a date, not less than 30 or more than 90 days after the exe-
9 cution and filing of the application, on which he or she desires
10 to retire. Upon retirement he or she shall receive a retirement
11 allowance computed according to section 20(1). The retirement
12 allowance of a member who has less than 30 ~~years~~ YEARS OF
13 credited service shall be reduced by an amount ~~which~~ THAT is
14 0.5% of the retirement allowance multiplied by the number of
15 months the person's age at retirement is under 60 years. The
16 reduction of 1/2 of 1% for each month and fraction of a month
17 from the member's retirement allowance effective date to the date
18 of the member's sixtieth birthday provided for in this subsection
19 shall not apply to a member who retired before July 1, 1974 and
20 before attainment of age 60, with 30 or more years of credited
21 service. The retirement allowance of a retirant or beneficiary
22 of a retirant who retired before that date shall be recalculated
23 disregarding the reduction and the person receiving the retire-
24 ment allowance shall be eligible to receive an adjusted retire-
25 ment allowance based on the recalculation beginning October 1,
26 1987, but shall not be eligible to receive the adjusted amount
27 attributable to any month beginning before October 1, 1987. The

1 recalculated retirement allowance provided by this subsection
2 shall be paid by January 1, 1988. The retirement allowance of a
3 retirant who dies before January 1, 1988, and who has not nomi-
4 nated a retirement allowance beneficiary pursuant to section 31,
5 shall not be recalculated pursuant to this subsection.

6 (3) Notwithstanding any other provision of this section,
7 effective April 1, 1988, a member may retire with a retirement
8 allowance computed according to section 20(1), without regard to
9 the reduction in subsection (2), if all of the following apply:

10 (a) The member files a written application with the retire-
11 ment board stating a date, not less than 30 or more than 90 days
12 after the execution and filing of the application, on which the
13 member desires to retire, and which is within the early retire-
14 ment effective period.

15 (b) The member was employed by the state for the 6-month
16 period immediately preceding the member's retirement allowance
17 effective date. This subdivision shall not apply to a member who
18 had been restored to active service during that 6-month period
19 pursuant to section 33.

20 (c) On the last day of the month immediately preceding the
21 retirement allowance effective date stated in the application the
22 member's combined age and length of credited service is equal to
23 or greater than 80 years and the member is 50 years of age or
24 older.

25 (d) For purposes of this subsection, "early retirement
26 effective period" means 1 of the following:

1 (i) Except as provided in subparagraph (ii), the period
2 beginning on April 1, 1988 and ending on April 1, 1989.

3 (ii) For a member employed by a department of mental health
4 hospital or facility that is in the process of being closed by
5 the department of mental health, the period beginning on April 1,
6 1988 and ending on October 1, 1989.

7 (4) As used in subsections (5) to (9):

8 (a) "Agency of the department" means 1 of the following:

9 (i) Southwest Michigan community living services.

10 (ii) Wayne community living services.

11 (b) "Department inpatient facility" means 1 of the
12 following:

13 (i) A developmental disability center that is directly oper-
14 ated by the department of mental health for purposes of providing
15 inpatient care and treatment services to persons with developmen-
16 tal disabilities.

17 (ii) A psychiatric hospital that is directly operated by the
18 department of mental health for purposes of providing inpatient
19 diagnostic and therapeutic services to persons who are mentally
20 ill.

21 (5) Notwithstanding any other provision of this section, a
22 member who is an employee of an agency of the department or a
23 department inpatient facility and is on layoff status because the
24 agency or inpatient facility has been designated by the director
25 of mental health for closure on or after October 1, 1989, may
26 retire as provided in subsection (7) or (8), as applicable, with
27 a retirement allowance computed according to section 20(1),

1 without regard to the reduction in subsection (2), upon
2 satisfaction of any 1 of the following conditions:

3 (a) The member is 51 years of age or older and has 25 or
4 more years of credited service, the last 5 of which are as an
5 employee of an agency of the department designated for closure or
6 a department inpatient facility designated for closure.

7 (b) The member is at least 56 years of age and has 10 or
8 more years of credited service, the last 5 of which are as an
9 employee of an agency of the department designated for closure or
10 a department inpatient facility designated for closure.

11 (c) The member has 25 or more years of credited service,
12 regardless of age, as an employee of an agency of the department
13 designated for closure or a department inpatient facility desig-
14 nated for closure.

15 (6) When a department inpatient facility or agency is desig-
16 nated for closure on or after October 1, 1989, the director of
17 mental health shall certify in writing to the state legislature
18 and the retirement board, not less than 240 days before the des-
19 igned official date of closure, which facility or agency is to
20 be closed and the designated official date of closure.

21 (7) Except as provided in subsection (8), a member who is
22 eligible to receive a retirement allowance under subsection (5)
23 may retire effective on the date that an agency of the department
24 or a department inpatient facility designated for closure as pro-
25 vided in subsection (5) actually closes, upon written application
26 to the retirement board not less than 30 or more than 180 days
27 before the designated official date of closure. Beginning on the

1 retirement allowance effective date, he or she shall receive a
2 retirement allowance computed according to section 20(1).

3 (8) A member who is on layoff status, is not working for the
4 state, and becomes eligible to receive a retirement allowance
5 under subsection (5) and who was an employee of an agency of the
6 department or a department inpatient facility that has been des-
7 ignated for closure as provided in subsection (5) and that actu-
8 ally closes on or after October 1, 1989, may retire upon written
9 application to the retirement board, stating a date, not less
10 than 30 or more than 180 days after the facility actually closes,
11 upon which he or she wishes to retire. Beginning on the retire-
12 ment allowance effective date, he or she shall receive a retire-
13 ment allowance computed according to section 20(1).

14 (9) Any additional accrued actuarial cost and costs for
15 health insurance resulting from the implementation of subsection
16 (5) shall be funded from appropriations to the department of
17 mental health for this purpose.

18 (10) A MEMBER WHO IS 60 YEARS OF AGE OR OLDER AND WHO HAS
19 BEEN EMPLOYED BY THIS STATE ON A PART-TIME BASIS FOR 10 OR MORE
20 CONTINUOUS YEARS MAY RETIRE UPON WRITTEN APPLICATION TO THE
21 RETIREMENT BOARD STATING A DATE, NOT LESS THAN 30 OR MORE THAN 90
22 DAYS AFTER THE EXECUTION AND FILING OF THE APPLICATION, ON WHICH
23 HE OR SHE DESIRES TO RETIRE. BEGINNING ON THE RETIREMENT ALLOW-
24 ANCE EFFECTIVE DATE, THE MEMBER SHALL RECEIVE A RETIREMENT ALLOW-
25 ANCE COMPUTED PURSUANT TO SECTION 20(1).